

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS
PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY

RESOLUTION NO. 2008-13

RESOLUTION AUTHORIZING A LOAN FROM GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO TO PAY THE COST INCURRED OR TO BE INCURRED IN THE ACQUISITION, CONSTRUCTION, EQUIPPING, INSTALLATION AND DEVELOPMENT OF THE AUTHORITY'S TRANSPORTATION FACILITIES AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A LOAN AGREEMENT AND THE TAKING OF RELATED ACTION IN CONNECTION THEREWITH

WHEREAS, Puerto Rico Highway and Transportation Authority (the "Authority") is in need of interim financing for the payment of costs incurred or to be incurred in the acquisition, construction, equipping, installation and development of Transportation Facilities of the Authority, as defined in the Resolution hereinafter mentioned, as provided in the Authority's priorities construction program; and

WHEREAS, Government Development Bank for Puerto Rico (the "Bank") has advised the Authority that it is willing to provide to the Authority interim financing in an aggregate principal amount not to exceed \$140,000,000.00, all in accordance with the terms and conditions herein below set forth.

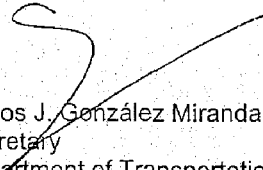
NOW, THEREFORE, BE IT RESOLVED by the Secretary of Transportation and Public Works:

1. The "Authority" is authorized to accept the terms and conditions of a loan in a principal amount not to exceed \$140,000,000.00, for the purpose of financing costs incurred or to be incurred in the acquisition, constructions equipping, installation and development of Transportation Facilities chargeable to the capital account of the "Authority" (the "Loan"). Proceeds of the Loan may also be used to pay such cost or to reimburse the Authority's Construction Fund created and established under Resolution No. 68-18, adopted by the Authority on June 13, 1968, as amended, (the "1968 Resolution"), or the Authority's Construction Fund created and established under Resolution No. 98-06, adopted on February 26, 1998 as amended (the "1998 Resolution") (collectively, the Resolutions), for the payment of such costs. The Loan shall mature on such date as the Bank may determine.
2. The obligation of the "Authority" to pay the principal amount outstanding of the Loan at maturity shall be payable solely from the proceeds of revenue bonds to be issued by the "Authority" under Section 208 of the Resolution. The Loan shall bear interest until paid in full at a rate or rates per annum determined in accordance with the Agreement (hereinafter mentioned). Interest shall be payable monthly in arrears not later than the tenth Banking Day (as defined in the Agreement) following receipt from any proceeds of the Loan set aside as capitalized interest thereon and, to the extent proceeds of the Loan are not set aside, from unencumbered amounts available in the Construction Fund established under the Resolution. Not later than the fifth Banking Day of each month the Bank shall furnish to the "Authority" a written statement showing the amount of interest due and payable by the "Authority" on the Loan for the preceding month. The "Authority" without penalty or premium may prepay the Loan at any time. The Loan shall be junior and subordinate to certain other

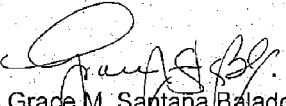
obligations of the "Authority" and shall be subject to certain other terms and conditions, all as contained in the Agreement.

3. The execution and delivery by the Executive Director of the "Authority" of a loan agreement (the "Agreement"), by and between the "Authority" and the Bank, and the note or notes evidencing the Loan are hereby authorized.
4. This Resolution is intended to be a declaration of official intent under US Treasury Department Regulation Section 1.150-2.
5. The "Authority" agrees to comply, to the extent permitted by the Constitution and laws of the Commonwealth, with the requirements of the Internal Revenue Code of 1986 as amended, so that interest on the Loan shall remain excludable from gross income for federal income tax purposes of the recipients thereof to the same extent that such interest was excludable on the date of execution and delivery of the Agreement.
6. The Executive Director of the "Authority" or an official duly designated by him, are hereby authorized and directed to take all actions necessary of them to carry out the provisions of this Resolution, including execution of the Agreement and said note or notes, the holding of any public hearings required by law and obtaining any all necessary consents and approvals which the "Authority" may be required to secure prior to entering into the Loan.
7. The provisions of this Resolution shall become effective immediately upon its adoption.

In San Juan, Puerto Rico, this 12th day of March, 2008.



Carlos J. González Miranda
Secretary
Department of Transportation
and Public Works



Grace M. Santana Balado
Secretary of the Authority